

FISKE UNION FIRE DISTRICT

Oak Grove, Louisiana

**Compiled Financial Statements
Year Ended December 31, 2012**

PREPARED BY:

JIMMIE L. SELF, CPA
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Fiske Union Fire District
Oak Grove, Louisiana

Dear President Sanders and Board Members,

I have compiled the accompanying statement of financial position of the governmental activities of the Fiske Union Fire District, a component unit of the West Carroll Parish Police Jury, State of Louisiana, as of and for the year ended December 31, 2012, which collectively comprise the Fire District's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Fiske Union Fire District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Fiske Union Fire District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

The Schedule of Compensation Paid Commissioners and the Schedule of Findings and Responses on pages 14 and 15-16 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have compiled the Schedule of Compensation Paid Commissioners and the Findings and Responses from information that is the representation of management of Fiske Union Fire District, without audit or review. Accordingly, I do not express an opinion or provide any assurance on the supplementary information.

The Fiske Union Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2012. The effects of this departure from generally accepted accounting principles has not been determined.



JIMMIE SELF, CPA
MONROE, LOUISIANA
June 19, 2013

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

FISKE UNION FIRE DISTRICT
Oak Grove, LA

STATEMENT A

ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET

DECEMBER 31, 2012

	Governmental Fund Type	Account Group	Totals Memo Only
	General Fund	General Fixed Assets	
<u>ASSETS AND OTHER DEBITS</u>			
Cash in Bank	\$ 17,979	\$ -	\$ 17,979
Fixed Assets	-	567,861	567,861
TOTAL ASSETS AND OTHER DEBITS	\$ 17,979	\$ 567,861	\$ 585,840
 <u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES:			
Notes Payable (See Note 4)			
Due within one year	\$ -	\$ 16,452	\$ 16,452
Due after year one	-	50,502	50,502
TOTAL LIABILITIES	-	66,954	66,954
FUND EQUITY			
Investments in General Fixed Assets	-	500,907	500,907
Fund Balance:			
Unrestricted	17,979	-	17,979
TOTAL FUND BALANCE	17,979	567,861	585,840
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,979	\$ 567,861	\$ 585,840

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**FISKE UNION FIRE DISTRICT
OAK GROVE, LA**

STATEMENT B

**GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
West Carroll Police Jury	\$ 62,000	\$ 62,905	\$ 905
Interest	-	-	-
2% Insurance Rebate	3,500	4,096	596
Total Revenues	<u>65,500</u>	<u>67,001</u>	<u>1,501</u>
EXPENDITURES			
Current - Public Safety			
Operating Services	10,000	10,244	(244)
Material and Supplies	3,000	2,604	396
Maintenance of Building	3,800	3,798	2
Maintenance of Equipment	9,000	8,925	75
Utilities	5,400	5,306	94
Principal paid	17,000	16,452	548
Insurance	18,500	18,009	491
Interest	4,200	4,177	23
Total Expenditures	<u>70,900</u>	<u>69,515</u>	<u>1,385</u>
EXCESS OF REVENUES OVER EXPENDITURES	(5,400)	(2,514)	2,886
FUND BALANCE AT BEGINNING OF YEAR	<u>18,588</u>	<u>20,493</u>	<u>1,905</u>
FUND BALANCE AT END OF YEAR	<u>\$ 13,188</u>	<u>\$ 17,979</u>	<u>\$ 4,791</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT.

**NOTES
TO THE
FINANCIAL STATEMENTS**

FISKE UNION FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2012

This legal entity was established to provide fire protection for the political subdivisions of District B and E in the parish of West Carroll, Louisiana. This entity operates independent of any other parish governing body, but functions under the guidelines set forth by the West Carroll Parish Police Jury. The District functions under the direction of a board of directors. All members of the board serve with no compensation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general-purpose financial statements of the Fiske Union Fire District have not been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Fiske Union Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the current year. The effects of this departure from generally accepted accounting principles has not been determined.

B. REPORTING ENTITY

As the governing authority of the parish for reporting purposes, the West Carroll Police Jury is the financial entity for West Carroll Parish. The financial entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the West Carroll Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

- i. Appointing a voting majority of an organization's governing body, and
 1. The ability of the police jury to impose its will on that organization and/or
 2. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- ii. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

FISKE UNION FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements For the Year Ended December 31, 2012

- iii. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the Fiske Union Fire District is fiscally dependent on the police jury, the district was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed asset and long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with measurement of financial position, not with the measurements of results of operations.

The only fund for the district is the governmental fund. Governmental funds account for the district's general activities, including collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

1. General Fund – The general operating fund of the district and accounts for all financial activities, except for those required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accounting of financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual

FISKE UNION FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements For the Year Ended December 31, 2012

basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues:

All revenues are recorded when the district is entitled to the funds.

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting, when the liability is incurred.

E. BUDGET PRACTICES

The proposed budget, prepared on the GAAP basis of accounting, was prepared and adopted by the board of commissioners in December of the prior year. The budget is established and controlled by the board of commissioners at the object level of expenditure. Encumbrance accounting is not utilized in the district’s records. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements included the original adopted budget. The amounts budgeted for the current year must fall within the 5% variance as required by Louisiana Statute.

F. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks under Louisiana law and national banks having principal offices in Louisiana. If the original maturities are 90 days or less, they are classified as cash equivalents.

The deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

FISKE UNION FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2012

G. INVESTMENTS

Investments are limited by the Louisiana Revised Statute R.S. 33:2955 and the political subdivision's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. All investments are bank certificates of deposit and are stated at cost.

H. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the district maintains coverage on the fire district with Bernard Insurance Agency, Shreveport, LA. The policy covers general liability, property, employee liability, workers compensation, and public officials' liability. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their lives are not capitalized.

J. COMPENSATED ABSENCES

The district has no paid employees therefore there is no policy relating to vacation and sick leave.

K. FUND EQUITY

Reserves -

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances -

Designated fund balances represent tentative plans for future use of financial resources.

FISKE UNION FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2012

L. SALES TAXES

In 1997 the West Carroll Parish Police Jury passed a ½% sales tax for fire protection in West Carroll Parish. This tax is divided among the fire protection districts for this purpose. This was a 10-year tax. This tax was renewed in 2006.

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent the financial position or result of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a compilation.

N. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. CASH AND CASH EQUIVALENTS

The Fiske Union Fire District maintains its checking accounts in the Regions Bank in Oak Grove, Louisiana. The district had a balance in its accounts on December 31, 2012 of \$17,979. The accounts are insured by the FDIC in the amount of \$250,000.

NOTE 3. INVESTMENTS

The Fiske Union Fire District has no investments at the present time.

THIS SECTION HAS INTENTIONALLY BEEN LEFT BLANK.

FISKE UNION FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 4. DEBT

The following is a summary of the District's long-term debt:

Balance due @ 12-31-2011	\$ 83,406
Amount paid in 2012	16,452
Balance due @ 12/31/2012	\$ 66,954

The annual requirements to amortize all long-term debt outstanding which began December 31, 2012 are as follows:

FISKE UNION FIRE DISTRICT
Long-term Debt Amortization

	Principal	Interest	Balance
Beginning Balance @ 12/31/2012			\$ 66,954
12/31/2013	17,380	3,248	49,574
12/31/2014	18,361	2,268	31,212
12/31/2015	19,397	1,233	11,816
12/31/2016	11,816	1,035	-

NOTE 5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

FIXED ASSETS	Balance December 12-31-2011	Additions	Deletions	Balance December 12-31-2012
Fixed Assets	567,861	-	-	567,861
Total	567,861	-	-	567,861

NOTE 6. RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose as required by FASB 57.

FISKE UNION FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 7. LITIGATION AND CLAIMS

The Fiske Union Fire District is not a defendant in any litigation seeking damages.

NOTE 8. SUBSEQUENT EVENTS

Subsequent events were evaluated by management up to and including the issue date of this report, June 19, 2013. There were no subsequent events noted which would affect the financial statements for the year ended December 31, 2012.

NOTE 9. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets, and injuries to volunteers. To handle such risk of loss, the district maintains coverage on the fire district with insured as West Carroll Firemen's Association through VFIS of Miss/Lou, 9456 Jefferson Highway -Suite C, Baton Rouge, LA, 70809. The policy covers general liability, property, employee liability, workers compensation, and public officials' liability. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2012.

**SUPPLEMENTARY
INFORMATION SCHEDULES**

FISKE UNION FIRE DISTRICT
Oak Grove, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2012
COMPENSATION PAID COMMISSIONERS

The names and addresses of the five commissioners who serve on the board of the Fiske Union Fire District are listed below. They all serve without any financial compensation. They are as follows:

Len Sanders – President
236 Lacaze Cutoff Rd
Oak Grove, La 71263
318/428-3584

Betty Wink-Vice President
970 Wink Road
Oak Grove, LA 71263
318/428-4131

Wilhelmina Smith – Secretary/Treasurer
11841 Highway 585
Oak Grove, LA 71263
318/428-4101

Mike Kovac
1696 Bar-K Road
Oak Grove, LA 71263
318/428-4992

Chester Abernathy
214 Braswell Road
Oak Grove, LA 71263
318/428-8440

SCHEDULE OF FINDINGS AND RESPONSES
FISKE UNION FIRE DISTRICT
Oak Grove, Louisiana

Findings for the Current Year Ended December 31, 2012

FINDING 2012-1

CRITERIA: Duties should be distributed among employees.

CONDITION: Inadequate segregation of duties.

CONTEXT: The district has only one person for handling the duties of the office personnel. Office duties are a part-time job. All staff members are volunteers.

EFFECT OF CONDITION: Internal control is weakened by the limited staff. Risk is mitigated and internal control is strengthened by the continuing oversight of the board.

CAUSE OF CONDITION: The staff consists of only one person.

RECOMMENDATION: Hire more employees and redistribute duties.

CLIENT RESPONSE: This would be impractical and cannot be remedied due to lack of funds.

Findings for the Prior Year Ended December 31, 2011

FINDING 2011-1

CRITERIA: Duties should be distributed among employees.

CONDITION: Inadequate segregation of duties.

CONTEXT: The district has only one person for handling the duties of the office personnel. Office duties are a part-time job. All staff members are volunteers.

EFFECT OF CONDITION: Internal control is weakened by the limited staff. Risk is mitigated and internal control is strengthened by the continuing oversight of the board.

CAUSE OF CONDITION: The staff consists of only one person.

RECOMMENDATION: Hire more employees and redistribute duties.

CLIENT RESPONSE: This would be impractical and cannot be remedied due to lack of funds.

FINDING 2011-2

.CRITERIA: Long-term indebtedness by a governmental unit of the State of Louisiana must be entered into only with the notification to and approval from the Louisiana State Bond Commission and the parent governmental entity (Fiske Union Fire District is a component unit of the West Carroll Parish Police Jury).

CONDITION: The District management voted to build and finance a new building for usage by the District. Notification was not made to the West Carroll Parish Police Jury or to the State Bond Commission.

CONTEXT: This decision was made by the Fire District without permission from the Police Jury or the State Bond Commission.

EFFECT OF CONDITION: The long-term indebtedness undertaken by the Fire District exists without the proper approval of government agencies.

CAUSE OF CONDITION: The Fire District management failed to gain the proper approval for seeking financing for the project.

RECOMMENDATION: The Fire District, which is answerable to the Police Jury as a component unit of the Jury, should always seek the guidance and approval of the Police Jury prior to making any major financial decisions.

CLIENT RESPONSE: The Fire District management is making application to the State Bond Commission for retroactive approval of the long-term indebtedness with the knowledge and approval of the West Carroll Parish Police Jury. The Commission will meet on August 16, 2012.

CONCLUSION: The transactions made by the Fire District and submitted retroactively were upheld by the state Bond Commission as requested.